GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:728
ANSWERED ON:28.07.2005
PARCEL AND CATERING BUSINESS
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways have suffered a huge losses in parcel and catering business during the last year;

(b) if so, the amount of loss suffered and the reasons therefor; and

(c) the steps taken by the Government to improve the parcel and catering services in Railways and make it more competitive to private operators ?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) Yes, Sir. Parcel and catering services are not profitable on Indian Railways when fully distributed cost taking into account the haulage cost is adopted. However, Second Class, Luggage cum Brake Van (SLR) at either end of the train is considered essential safety requirement so as to protect the passengers in the unfortunate event of accident to train. Hence, haulage cost of SLR can at best be treated as notional. Similarly, catering services, as such, make a profit. However, in case haulage cost of pantry car of Mail/Express trains, is taken into account, the services show a loss. Pantry cars are attached as essential passenger amenity so as to provide food to passengers on running trains for which there is no other alternative. Hence, haulage cost of pantry cars can also be treated as notional.

(b) In case haulage cost of SLRs as well as pantry cars are included in costing of services, in that eventuality amount of losses suffered by the Railways for the years 2002-2003 under Broad Gauge and Metre Gauge are as under: -

In case of	Amount of loss (Rs. in crore)
Parcel, Luggage and Postal services	: 782.18
Catering service	: 410.81

(c) With a view to provide value added service to the rail customers, the scheme for leasing of parcel space in the brakevans has been introduced by the Indian Railways. Under the scheme, parcel space in the brakevans of the passenger carrying trains is leased out to the private parties by inviting bids through open tenders. On the same line, the scheme for leasing of Parcel Vans on round trip basis has also been introduced.

With a view to improve catering services, Railways have taken various steps viz. use of quality raw material, introduction of three piece casseroles packed meals, use of eco-friendly packaging materials, supply of safe drinking water along with meals etc. Regular inspections/surprise checks are carried out at the level of Railway Board and zonal Railways. Indian Railway Catering and Tourism Corporation Ltd., (IRCTC) has been set up to professionalise and upgrade the catering services. IRCTC is also training catering staff to bring about visible improvements in catering services.